

HB 2345 STAFF MEASURE SUMMARY

House Committee On Economic Recovery and Prosperity

Prepared By: Wenzel Cummings, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/2, 3/16

WHAT THE MEASURE DOES:

Establishes Oregon Rural Capacity Fund (Fund) to provide resources to Oregon's Economic Development Districts (EDDs) to assist rural jurisdictions to learn about, apply for, and manage grants and other funding opportunities to support workforce, infrastructure, economic development, and community development. Requires Oregon Business Development Department to develop and communicate program policy and purposes, determine moneys available, consult and coordinate with EDDs on distribution, and make distributions from Fund. Requires periodic consultation with League of Oregon Cities, Association of Oregon Counties, Oregon School Boards Association, and Special Districts Association of Oregon on program implementation. Limits use of funding by individual EDDs to providing grant writing, grant administration, rural grant, and rural capacity building services to rural jurisdictions. Requires individual EDDs to report quarterly to Department. Requires Department to report annually to Legislative Assembly on program activities and certain metrics. Appropriates \$918,750 General Fund to Department to spend on program. Becomes operative January 1, 2022. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Availability of staff in small rural communities to manage grant writing
- Roadmap of resources available for small communities

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Business Development Department, more commonly known as Business Oregon, is the state's economic development agency. Its mission is to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. Business Oregon operates infrastructure financing programs that are available to local municipalities for water systems, wastewater systems, port development, roads, and other infrastructure needs related to business growth and community development.

Oregon has 12 economic development districts (EDDs) covering all 36 counties, including one statewide tribal EDD and 11 regional EDDs. The EDDs often originate, package, and administer loans funded by state and federal programs, including the U.S. Department of Commerce's Economic Development Administration, the Small Business Administration, and the U.S. Department of Agriculture. The EDD loan programs support economic development and business capital needs within the requirements of their funding sources. The EDDs also provide other business services and regional planning functions.

House Bill 2345 establishes and allocates funding to the Oregon Rural Capacity Fund (Fund) to provide resources to Oregon's EDDs to assist rural jurisdictions to learn about, apply for, and manage grants and other funding opportunities to support workforce, infrastructure, economic development, and community development. The measure requires Business Oregon to develop and communicate program policy and purposes, determine moneys available, consult and coordinate with EDDs on distribution, make distributions from Fund, and periodically consult with local government.